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Opportunities for U.S. Food Products in Nanning,

Guangxi, China

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Report Highlights:

The Hawaii International Hotel at Nanning, Guangxi offers a unique opportunity for the import of American food products and entertainment.

Includes PSD changes: No
Includes Trade Matrix: No
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Background

Mr. Huang Ling Song and Mr. Fan Qing Xiang, the senior managers of the Guangxi Hawaii International Hotel at Nanning wanted to hold an American Food Festival. They visited the ATO/GZ office in October last year and invited the office to visit their facilities for promoting such a festival. In conjunction with other outreach activities in Guangxi, ATO/GZ staff went to Nanning on June 13 to assess the viability of the proposed promotion.

The Hotel

In the initial meeting with the ATO/GZ staff in Nanning, Mr. Huang Ling Song and his deputy Mr. Li Shao Long reiterated their interest in promoting American food in the Hawaii Hotel. Subsequently, they introduced the ATO/GZ staff to Mr. Lin Shao Xiong and Mr. Ding Feng Yu, the Director and Deputy Director of the Guangxi Meteorological Bureau, respectively. Mr. Lin and Mr. Ding are also the Chairman and Vice Chairman of the Board of Directors of the Hawaii Hotel. The Bureau is the majority shareholder of the Hotel.

Director Lin presented an overview of the development of Nanning City and the development plan of the Hotel. According to him, the current consumption level at Nanning is relatively low. However, with China joining the WTO and the ban on frontier trade with Vietnam lifted, Nanning City has a good prospect in the next three to five years to have accelerated economic development. The Hotel was named Guangxi Hawaii International Hotel for name recognition. Getting a foreign name approved for a Chinese establishment was a significant achievement and the Hotel management would like to hold an American Food Festival to differentiate their hotel from other hotels. In so doing, they also hope to stimulate the local economy.

After the meetings, the ATO/GZ staff toured the Hotel, including its Western and Chinese restaurants and their kitchens, the nightclub and the swimming pool area. Due to administrative consideration, the Hotel is not yet rated. It aspires to be a 4-star hotel. The Xiang Long Hotel (affiliated with the Chelon Industries) in Hong Kong is providing it management support.

The hotel was converted from the headquarters office building of the Guangxi Meteorological Bureau. In fact, the Bureau still occupies the top floors of the Hotel and is expected to do so indefinitely. The conversion from an office building to a hotel occurred in Year 2000 and its operation as a hotel is less than a year. The Bureau is responsible for managing several city blocks of land adjacent to the Hotel. It is actively seeking ideas and investment for development. The Bureau had twice discussed with WalMart on building a shopping center, with no positive outcome.

Comments

Although the hotel is named Guangxi Hawaii International Hotel and its management has been trying to create an interior environment that fits what they imagine Hawaii to be, the hotel is essentially a non-descript hospitality establishment in Nanning, one among 4 or 5 other similar establishments. It lacks the critical factors that make Hawaii distinctive, namely, blue sky and clear water. As the Hotel managers are wedded to the name Hawaii, they need to find ways to create the Hawaii ambience, both indoor and outdoor.

Until the Hotel is able to draw a critical mass of customers to its services, holding an American food promotion might not be a cost-effective investment. However, setting the Hotel up as a hotel that offers a taste of Hawaii culture and cuisine and the Hawaii life style might be the unique attraction that makes it stand out among the hotels in Nanning.

To develop a critical mass of customers to its services, the Hawaii Hotel needs to be clear about its focus of service, whether it be food, lodging, entertainment, or mini-convention. Given its chosen name Hawaii and the scarcity of wholesome entertainment facilities in Nanning, the Hotel might focus on entertainment as its motif.

As the Meteorological Bureau is free to use the land adjacent to the Hotel for optimal economic development, ATO/GZ Director recommended that the Bureau think out of the box to consider developing the area into a Hawaii Village with an outdoor swimming/water sport area similar to that in a Beihai hotel, a shopping mall similar to the Ala Moana Shopping Center in Honolulu, a ix Flag type amusement park, a village school that specializes in teaching English, a Nature Academy that teaches science and technology to the Zhuang minority children, and a theatre that features space exploration (the latter two being consistent with the mission of the Bureau).

The broader, diverse, and structural development would create the condition and draw a critical mass of customers for the continuing promotion and use of American food and other products, not just an occasional American food festival. As a modest change, ATO/GZ recommended that the Hotel begin to play Hawaii music in its in-house music system and consider modifying the uniform of its service personnel.

Nanning is the capital of Guangxi Zhuang Autonomous Region. It is readily accessible by land from other towns and cities in Guangxi. Its transportation network appears to be adequate. The customers of the Hawaii Hotel and the prospective customers of the Hawaii Village are likely drawn from Guangxi, Western Guangdong, the provinces of Southwestern China, and Vietnam.

Conclusion

Here is an opportunity to build the infrastructure that would require a continuing in flow of Hawaii food and other products and personnel. It is also an opportunity for cooperation between the State of Hawaii and the Nanning City. As none of the local senior managers has ever visited Hawaii, no one really knows about Hawaii hospitality and its hospitality business. ATO/GZ feels it is necessary for the Hotel senior managers to have firsthand experience of Hawaii, to know the food products available for import from the United States, and to establish contacts with Hawaii's business community.

Follow Up

ATO/GZ will contact the State of Hawaii about hosting a self-financed study tour and make the necessary preparation for the Hawaii Hotel personnel to visit Hawaii.